

## First Alizila Executive Blog Post

### Joe Tsai Looks Beyond Alibaba's RMB 3 Trillion Milestone

This is the first of many blog posts that I will write on Alizila about developments at Alibaba and how we see things.

Today, with 10 days remaining in our fiscal year ending March 2016, Alibaba's China retail marketplace platforms surpassed RMB 3 trillion in GMV. That is about 476 billion in U.S. dollars and, if the platforms we operate were a province, we would rank as the 6<sup>th</sup> largest provincial economy in China.

This is one of the several milestones we set for ourselves to remind us that there's a lot of work ahead of us. Back in 2012, we achieved RMB 1 trillion in GMV. Then, it seemed tripling our GMV would be a tall order and, a bit more than three years later, here we are.

How is this milestone significant in the broader context?

We are proud of what this achievement means for China. It reflects economic growth propelled by consumption and job creation in the service sector. The shift toward consumption and services is a massive transformation that will drive a new Chinese economy for years to come.

At the heart of this new economy is Alibaba. We have witnessed the creation of millions of new jobs across China, tens of millions of small businesses that thrive on reaching new markets and customers through the Internet, and hundreds of millions of consumers using technology, especially mobile Internet, to improve their quality of life. So we celebrate today's milestone for what it says about the *potential* of this new economy, and the achievements that lie ahead.

The 3 trillion milestone also means that as Alibaba achieves unprecedented scale, we have a responsibility for *how* economic growth is achieved. Growth is meaningless unless it is sustainable. Thus, we have turned our focus to quality growth and broadening domestic consumption.

In the past year we have stepped up efforts to bring quality producers and brands onto our platform, especially foreign imports; and our Rural Taobao initiative has thus far penetrated over 12,000 of China's 600,000 villages to bring everyday items that city dwellers normally enjoy to the rural population. As you can see, we still have a lot of work ahead of us.

While GMV is a proxy for scale, our focus on quality and sustainable growth means how we measure success is no longer dependent on a simplistic view of GMV growth. This is because we now deliver multiple value propositions to the businesses that take advantage of our marketing platform and commerce infrastructure services. In other words, Alibaba today is much more than a sales and distribution channel.

We deliver marketing, brand engagement and customer acquisition value to merchants and brands, whether they operate online or offline, in ways that no other marketing platform in China can rival. Why? Because Alibaba is where consumers spend time. Users become consumers when they come to an Alibaba platform, such as the Mobile Taobao App, because they come to find and acquire knowledge about products and services. Their commercial intent is clear.

We are developing content that is relevant and useful to consumers because our data make it possible to gain consumer insights in ways that no other media can. By doing this we have built the first-ever [e-commerce media ecosystem](#) in China.

We also provide commerce infrastructure services that make it easy to do business. Whether you are a small business or a multinational brand, you will be able to find software tools and platforms delivered through our cloud, such as CRM, ERP, security, computing power, and data processing and analytics, to name a few.

Alibaba is more than a marketplace of virtual shops. With our data insights, we enable millions of merchants and third-party service providers to engage and interact with their customers – the consumer. As the network effects underlying this ecosystem continue to get stronger, Alibaba's value will continue to grow. We have transformed how commerce is conducted in China, and we are well on track to achieve our mission “to make it easy to do business anywhere.”

Today's milestone is just a gas stop, as we pause briefly to recognize the achievement, and look forward to the future.

-- Joe Tsai  
Executive Vice Chairman, Alibaba Group

#### Safe Harbor Statements

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*Link to the original article on Alizila:*

<http://alizila.com/joe-tsai-beyond-alibabas-3-trillion-milestone>